

WRITTEN STATEMENT OF

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HEARING ON

~~UNITED STATES OLYMPIC COMMITTEE~~ USOC - REFORM

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

FEBRUARY 13, 2003

Mr. Chairman, Members of the Committee: **Thank you for the opportunity to appear before you today to discuss a topic dear to my heart: the health of the United States Olympic Committee.**

My name is Anita L. DeFrantz, and I have been actively involved in the Olympic Movement since representing our great country at the Games of the XXI Olympiad in 1976, where my boat won a Bronze Medal in rowing. I was also a member of our 1980 Olympic team.

After my career as an athlete, I served in various positions within the Olympic Movement. I worked as a vice president for the Los Angeles Organizing Committee for the 1984 Olympic Games; I was elected to the International Olympic Committee in 1986; and I was elected vice president of the International Rowing Federation in 1993. In my professional life, I now serve as the president of the Amateur Athletic Foundation of Los Angeles, which seeks to serve youth through sport. To date, we have leveraged the portion of the Olympic legacy provided to the Los Angeles community, \$95 million, turning it into more than \$130 million worth of programs, facilities, and equipment for the youth of Los Angeles.

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I share my opinions with you today from the perspective of an athlete and an administrator, on both the national and international levels. Although I am a member of the International Olympic Committee and the United States Olympic Committee, I serve in no capacity that provides me with formal authority to speak for either organization. I do know the International Olympic Committee shares this Committee's concern but respects the autonomy of the United States Olympic Committee in managing its affairs. It is confident a better and stronger United States Olympic Committee will emerge from this process. I also know that the leadership of the United States Olympic Committee is determined to work with this Committee to make sure that will indeed happen.

As for my thoughts on reform, I first wish to say we have a great and proud Olympic tradition in this country.

Our country has been the host of eight Olympic Games – more than any other country, by far – from St. Louis in 1904 to Salt Lake City in 2002. Each time, the organizers have shown the world what great hosts the United States of America can be and how dedicated we are to providing all athletes with the support they need to perform at their very best.

Our athletes, year after year, continue to achieve amazing results. They always give it their all, often earning a spot on the medals podium. They especially make our nation proud when their gold-medal performances are met with the raising of the American flag and the playing of our National Anthem. From Jesse Owens and Wilma Rudolph to “the Miracle on Ice” to Sarah Hughes – just think how many times our athletes have given the nation goose bumps or made us shed tears of joy. They truly are national treasures.

Our National Olympic Committee has had shining moments over the years, but recently our leadership has failed to attain the same kind of excellence that the athletes exhibit on the field of play. Quite frankly, I am dismayed that this Committee, which deals with so many issues of great strategic importance, has had to intercede.

The United States Olympic Committee and its precursors owe a debt of gratitude to Congress – having provided its charter in 1950, and having clarified its role as coordinator of Olympic and amateur sports in both 1978 and 1998.

Today, I believe that Congress has yet another important role to play in the evolution of the USOC: that of a guiding force behind its reform. Every reform

must be examined and judged by how it helps the organization better serve the athletes. In that way, they will also serve the broader public interest.

Fighting for the rights of athletes led me into the world of sports administration. In fact, I appeared before this very Committee at a hearing Senator Stevens presided over in 1977 to defend the athlete's basic right to enter the competition of his or her choice. So it will come to no one's surprise that I believe the United States Olympic Committee must refocus on serving the athletes. I want to underscore the word *serving*. The United States Olympic Committee must rededicate itself to the idea of becoming a *service* organization.

While *serving* may be a word that is not repeated enough, *restructuring* has been spoken much too often. The United States Olympic Committee's most recent restructuring, back in 1999, was on target. In some cases, it has begun to serve the organization quite well. However, there are some further changes to the structure and scope of the organization that will go a long way toward resolving the issues that trouble us today. I have a list of ten such changes.

1. Corporate Governance

The first requirement is to bring the United States Olympic Committee's governance structure more into line with the processes dictated by the best practices of corporate governance.

Volunteerism has a long tradition in this country, and it makes an essential contribution to the development and operation of sport. We cannot do without the volunteers, especially at the grassroots level. They work tirelessly, giving hundreds

of thousands of hours to keep sport going in this country. However, the time has come for volunteers to cede governing authority to the professional administration, and for the professional administration to develop other and better ways to recognize the volunteers for their contributions. We must incorporate stronger standards of corporate governance while maintaining the enthusiasm and spirit of the volunteers. Today's Board and Executive Committee structures are much too unwieldy, as has been already recognized. The Board, which today comprises a wide array of member organizations, should be converted into an advisory body that meets only once a year in the form of a national assembly of the country's sports leaders. The assembly would help the administration examine the issues and trends affecting sports. The assembly's only authority would be to elect a newly configured USOC Board – in essence, a streamlined version of today's Executive Committee. This new USOC Board would act much like a corporate board, having no executive or day-to-day authority, other than hiring and firing the CEO. The President, or Chairman of the Board, would then fulfill the important role of the representing the organization on the national and international levels but would not have the authority to bind the organization to any contractual agreements. This means all executive authority would be entrusted to the CEO and his or her staff.

This change, by itself, will go a long way toward ensuring workable reform.

2. Qualifications

The second element of reform is just as important as the first: defining the qualifications of the type of people who should oversee the organization. Currently, the qualification criteria are lacking. The time has passed for good intentions to be considered a sufficient qualification to lead the United States Olympic Committee. We must demand that all persons hoping to serve on both the volunteer board and in the professional administration are held to the highest standards of qualifications before they are even considered for those positions. The qualification requirements must be carefully developed and designed to gather all the necessary expertise needed to manage what should be the best National Olympic Committee in the world. Quite simply: Only qualified athletes can compete. Only qualified administrators should manage.

3. Accountability

The third ingredient for the United States Olympic Committee reform should be increased accountability. In my sport, if you cannot pull your weight, you are out of the boat. Volunteers and professionals alike should be held accountable to strict performance standards. The United States Olympic Committee needs to set expectations for every major director and executive position so their performances can be evaluated on a yearly basis. The organization also should develop a mechanism to replace non-performing officers. I go back to my initial point: It should be an honor to serve – not an honor to merely hold an office.

4. Ethics

The fourth element of reform is better implementation of the Ethics Code.

The United States Olympic Committee has a fine Ethics Code, but it has been poorly implemented. In order for any Ethics Code to be effective, its tenets must be woven into the fabric of the organization, so that it becomes part of the philosophy by which all decisions are made. This has yet to be fully ingrained within the USOC.

5. Orientation

The fifth element is education. The organization needs to do a better job of supporting its people. Because the Olympic world is unlike any other, all newly elected directors and executives should undergo a mandatory orientation process. That will help them fully appreciate the scope of their new roles, as well as the intricacies of the global Olympic Movement. This perspective is necessary to succeeding in the Olympic arena.

6. Clarity of Purpose

The sixth element is clarity of purpose. One issue that certainly needs study – and that will require Congressional action to change – is the rationalization of the United States Olympic Committee's wide-ranging mission, powers, and jurisdiction granted in 1978 with the needs and circumstances of today. One ramification of this mission, for instance, is today's large Board. We all agree a 122-member board is unwieldy – and expensive. But we must remember that, due to its mandated mission, the United States Olympic Committee must interact with its 78 member

organizations – of which only 38 currently manage Olympic sports. In many ways, the United States Olympic Committee was chartered to act as a privately funded “Ministry of Sports.” When considering reforms, it will be important to determine whether its structure should be changed to meet this expectation, or whether the expectation has become unrealistic in today’s changed circumstances.

7. NGBs

The seventh element is the enhancement of the governance of the National Governing Bodies, known as NGBs. I would urge this Committee to consider the fact the United States Olympic Committee is a reflection of the NGBs. Reforming the United States Olympic Committee without reforming the NGBs is like treating the leaves of a tree without examining its roots.

I am not saying that all NGBs have governance issues, but their governance must conform to the standards of the United States Olympic Committee. In a similar way, one cannot properly reform the United States Olympic Committee without focusing on the unique structures and needs of the NGBs – one of the United States Olympic Committee’s most important stakeholders.

8. Integration

The eighth element is a need for the United States Olympic Committee to become better integrated with all its stakeholders, especially the public. One symbolic but important change would be to move the organization’s executive offices to a major metropolitan city, such as New York, Chicago or Los Angeles.

Having the headquarters in Colorado Springs has served the important purpose of developing our central athlete training complex. That mission has been fulfilled, and the Colorado Springs training center will always be an important complex. At this point in its history, it is more important for the organization to be out-front and interacting with the public in a major metropolitan area on a more regular basis.

The United States Olympic Committee also must become more actively integrated with the international sporting community. We have the largest national Olympic Committee, with the best athletes in the world. Yet the United States is woefully under-represented in the international governing bodies of sport. We need to do a better job of working with, and integrating with, this global community. If we do so, it will return great dividends to our athletes since they compete in the international arena.

9. Reporting to Stakeholders

The ninth element is closely related to the previous one. There should be increased reporting to the stakeholders. Sunshine provides credibility and accountability. There is much great work being done at the United States Olympic Committee, and everyone should know that. All the same, the organization needs to be held accountable to its stakeholders' expectations and reviews. Again, the USOC should be a *service* organization.

10. Focus on the Athletes

Last, but surely not least, is a principle from which all the reforms should flow: the focus on the athletes. The most important provision of the Ted Stevens Olympic and Amateur Sports Act is the requirement that each USOC body should include at least a 20 percent representation of recent athletes. The fact of the matter is: If you started with the needs of the athletes as your guide, you would have the best rule by which to guide your reform efforts.

Conclusion

In closing, I would like to again thank this Committee for taking the time to urge reforms for the United States Olympic Committee. The United States Olympic Committee should be a council of sports, not of sports politics. Your efforts in the coming weeks will be important in making that principle become a reality.

Thank you.